

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)	
to review the response of CONSUMERS ENERGY)	
COMPANY and DTE ELECTRIC COMPANY)	Case No. U-18346
to recent storm damage in their service territories.)	
_____)	

At the March 28, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On March 7 and 8, 2017, a severe wind storm hit Michigan's Upper and Lower Peninsulas. The wind storm, with gusts reaching over 60 mph, was unique in both its intensity, duration, and geographic distribution. As a result, an estimated 360,000 customers of Consumers Energy Company (Consumers) and more than 800,000 customers of DTE Electric Company (DTE Electric) lost electric power to their homes and businesses for varying lengths of time. Several other utilities reported thousands of customers with outages. Reports indicate that Consumers had approximately 10,800 downed wires, and DTE Electric had approximately 12,000 downed wires.

On March 7, 2017, the Commission Staff (Staff) began monitoring events as outages progressed across the Upper Peninsula and Northern Lower Peninsula. High winds and accompanying outages picked up dramatically on March 8, when the number of affected customers reached over 1.2 million. Restoration efforts were hindered by the continued high

winds and the uniquely scattered nature of the outages. Many smaller utilities that were impacted early in the event were able to complete restoration by the afternoon of March 9, 2017. However, DTE Electric experienced the largest outage in the company's history. By the afternoon of March 14, 2017, less than 500 DTE Electric customers remained without power. Consumers also experienced one of the largest outage events (approximately the 15th worst) in its history. Consumers was able to restore service to almost all customers by March 12, 2017.

On March 9, 2017, Governor Rick Snyder held a press conference that included DTE Electric and Consumers officials, the State Police, and the Red Cross. The Governor and the Commissioners made site visits to both Consumers and DTE Electric service areas, and the Staff made a field inspection of some of the damage and restoration activities. Warming centers were opened for those without power. Michigan Agency for Energy (MAE) staff assisted in manning the State Emergency Operations Center.

The Commission wishes to acknowledge the diligence and perseverance of literally thousands of utility employees, including wire guards, line clearing crews, call center representatives, and line workers, laboring under harsh conditions to restore service. The Commission also thanks the mutual aid crews from utilities in nearby states who came to Michigan to work with DTE Electric and Consumers. Despite the unprecedented nature of the storm, many customers saw their service restored in a timely manner, while others waited more than a week.

Public utilities are allowed to apply for recovery of the costs associated with general maintenance and upgrade of their distribution facilities, as well as tree trimming activities, through the rate case process. In each rate case, the Commission reviews the utility's request for operations and maintenance expenses and capital spending to determine whether spending is adequate to maintain and improve reliability to customers. The Commission has an obligation to

ensure that the utilities are using these ratepayer-supplied funds to provide customers with reasonably reliable service, to protect the public from hazardous downed power lines, and to promptly respond to and restore power to customers suffering from outages. Storms of this magnitude provide utilities an opportunity to assess which improvements and upgrades have provided real benefits in a time of crisis, and to improve their infrastructure, operations, and communications in order to increase resiliency during future events. The high demand on utility-customer online communications programs also exceeded utility planning expectations.

The Commission has opened this docket for the purpose of reviewing the following issues: (1) how the wind storm affected the utilities' distribution systems; (2) how the utilities prepared for and responded to the storm; (3) whether any changes could be implemented to reduce the potential for future power outages of the same magnitude; (4) whether the utilities were properly prepared to receive and respond to customer calls to report outages and if the utilities' customer communications were adequate; (5) whether the utilities sufficiently addressed all public safety concerns associated with downed power lines in a timely manner; (6) the accessibility of outage maps and how that could be improved; and (7) the performance of smart meters and other online communications. To that end, the Commission directs Consumers and DTE Electric to each file a report in this docket no later than 5:00 p.m. on May 15, 2017, addressing these issues.

The Commission is particularly interested in receiving a summary of the event, and each utility's assessment of its performance. The report should include information regarding the type of weather experienced in different service areas, and basic information on the number and location of outages, downed poles, downed lines, the number and type of employees involved in the response, the number and type of employees of mutual aid crews involved in the response, and the number and timing of safety guards deployed to provide barriers to downed lines. With

respect to the third issue listed above, the Commission is particularly interested in each utility's assessment of how investments made in distribution infrastructure, distribution equipment repair and construction, expansion of automation, early warning technology, and vegetation management (including the clearance of trees outside of the utility easement) affected the time and number of outages from the wind storm. The Commission observes that the intensity and duration of the wind appears to have been fairly uniform across the affected areas of the Lower Peninsula, but that DTE Electric had significantly more outages than Consumers, and it took DTE Electric longer to complete the restoration. The Commission is interested in hearing from DTE Electric on why, in its view, it was disproportionately impacted.

Both utilities shall include a discussion of lessons learned from the experience. The Commission also seeks specific feedback regarding if and how advanced metering infrastructure (AMI) helped with respect to both notification of outages and timely restoration of service. In the case of Consumers, the report should include an assessment of how an outage management system (OMS) with AMI may have aided in the utility's response to the storm. For DTE Electric, the Commission is interested in how its OMS affected the response time of restoration efforts. Additionally, the Commission is aware that, despite the fact that service has been restored, it will take time for both utilities to bring their systems back to the same level of safety and reliability in place prior to the storm. The reports should include information regarding the timeline for that effort and the activities that will be undertaken. Finally, the Commission directs DTE Electric and Consumers to cooperate with the Staff in the development of any data necessary for a thorough review of the utilities' response.

THEREFORE, IT IS ORDERED that Consumers Energy Company and DTE Electric Company shall each file a report in this docket as outlined in this order no later than 5:00 p.m. on May 15, 2017.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of March 28, 2017.

Kavita Kale, Executive Secretary